

## **EXHIBIT 12**

**Confidential**

1991 Marcus Avenue, Suite 104/Rheumatology  
 Sari Edelman and Kavini Mehta  
 Pro Forma

**DRAFT**

					3%	3%	3%	3%
				Y1	Y2	Y3	Y4	Y5
<b>Revenue:</b>								
<b>Patient Revenue</b>								
Revenue	-			123,327	127,027	130,838	134,763	138,806
E&M	-			659,052	678,824	699,188	720,164	741,769
<b>Total Patient Revenue</b>	<b>323,704</b>	<b>402,446</b>	<b>726,151</b>	<b>792,321</b>	<b>816,091</b>	<b>840,573</b>	<b>865,791</b>	<b>891,764</b>
<b>Expenses:</b>								
<b>Staffing Costs:</b>								
Physician/Faculty Base Salary	182,500	182,500	364,999	364,999	364,999	364,999	364,999	364,999
Management Staff	24,660	24,660	49,320	49,320	50,800	52,324	53,893	55,510
Clerical Staff	20,800	20,800	41,600	41,600	42,848	44,133	45,457	46,821
Professional / Occupational Staff	55,120	55,120	110,240	74,880	77,126	79,440	81,823	84,278
Fringe Benefits (25%)	-	-	-	132,700	133,943	135,224	136,543	137,902
Pension	6,000	6,000	6,000	-	-	-	-	-
<b>Total Staffing Costs:</b>	<b>289,080</b>	<b>289,080</b>	<b>572,159</b>	<b>663,499</b>	<b>669,717</b>	<b>676,121</b>	<b>682,717</b>	<b>689,511</b>
<b>OTPS</b>								
[1] Supplies - Office	-	-	-	10,000	10,300	10,609	10,927	11,255
Billing Fees	3.40%	-	-	26,939	27,747	28,579	29,437	30,320
[2] Rent	-	-	-	121,752	125,405	129,167	133,042	137,033
Malpractice	-	-	-	57,808	60,698	63,733	66,920	70,266
[3] Dues/ Licenses/ Subscriptions	-	-	-	7,000	7,210	7,426	7,649	7,879
[4] Other Direct Expenses	50,115	128,856	153,991	-	-	-	-	-
<b>Total OTPS:</b>	<b>50,115</b>	<b>128,856</b>	<b>153,991</b>	<b>223,499</b>	<b>231,360</b>	<b>239,515</b>	<b>247,975</b>	<b>256,753</b>
<b>Assessments</b>								
Deans' Assessment	5%	-	-	38,269	39,417	40,600	41,818	43,072
Administrative Assessment	5%	-	-	38,269	39,417	40,600	41,818	43,072
<b>Total Assessments:</b>		-	-	<b>76,538</b>	<b>78,834</b>	<b>81,199</b>	<b>83,635</b>	<b>86,144</b>
<b>Total Expenses:</b>				<b>963,536</b>	<b>979,911</b>	<b>996,835</b>	<b>1,014,327</b>	<b>1,032,408</b>
<b>Operating Profit/(Loss):</b>				<b>(15,490)</b>	<b>(163,821)</b>	<b>(156,262)</b>	<b>(148,537)</b>	<b>(140,644)</b>
Incentive Compensation		-	-					
<b>FGP Net Profit/(Loss):</b>				<b>(15,490)</b>	<b>(163,821)</b>	<b>(156,262)</b>	<b>(148,537)</b>	<b>(140,644)</b>
<b>Total MD Compensation</b>				<b>364,999</b>	<b>364,999</b>	<b>364,999</b>	<b>364,999</b>	<b>364,999</b>
Capitalization (25%)				(198,080)				

**Note:**

\* Salary adjustment is the difference between the practice's total payroll expenses and the itemized salaries.

- [1] Y1 office supplies assumed \$5k for each physician
- [2] Y1 rent assumed \$5,073/month for 2 physicians (Based on Dr. Goldberg's Rent - includes Electric, Real Estate Tax)
- [3] Assumed UPN dues for two physicians
- [4] 2013 Other Direct Expenses are put in to net zero
- [5] Outstanding business loan of \$326k

**D000133**

1991 Marcus Avenue, Suite 104/Rheumatology  
 Sari Edelman  
 Sari Edelman RVU Analysis

CPT Code	Description	2013 CPT Volume	wRVU per CPT	Total wRVUs
99203	Office/outpatient visit new	1	1.42	1
99204	Office/outpatient visit new	18	2.43	44
99205	Office/outpatient visit new	117	3.17	371
99211	Office/outpatient visit est	118	0.18	21
99212	Office/outpatient visit est	22	0.48	11
99213	Office/outpatient visit est	379	0.97	368
99214	Office/outpatient visit est	1,922	1.50	2,883
99215	Office/outpatient visit est	26	2.11	55
99223	Initial hospital care	1	3.86	4
99244	Office consultation	20	3.02	60
99245	Office consultation	210	3.77	792
99254	Inpatient consultation	2	3.29	7
99255	Inpatient consultation	1	4.00	4
99354	Prolonged service office	3	1.77	5
99406	Behav chng smoking 3-10 min	2	0.24	0
<b>E&amp;M Total</b>		<b>2,842</b>		<b>4,626</b>
J0129	Abatacept injection	2,026	-	-
J0135	Adalimumab injection	40	-	-
J0490	Belimumab injection	36	-	-
J0897	Denosumab injection	1,571	-	-
J1020	Methylprednisolone 20 MG inj	107	-	-
J1030	Methylprednisolone 40 MG inj	42	-	-
J1040	Methylprednisolone 80 MG inj	14	-	-
J1438	Etanercept injection	58	-	-
J1740	Ibandronate sodium injection	25	-	-
J2001	Lidocaine injection	169	-	-
J3110	Teriparatide injection	3	-	-
J3488	Reclast injection	21	-	-
J7050	Normal saline solution infus	1	-	-
J7323	Euflexxa inj per dose	12	-	-
J7324	Orthovisc inj per dose	1	-	-
J7325	Synvisc or Synvisc-One	619	-	-
J7326	Gel-one	3	-	-
J3489	Zoledronic acid 1mg	10	-	-
J9250	Methotrexate sodium inj	4	-	-
<b>Drug Total</b>		<b>4,752</b>		<b>-</b>
1036F	Tobacco non-user	294	-	-
1170F	Fxnl status assessed	31	-	-
3470F	Ra disease activity low	20	-	-
3471F	Ra disease activity mod	8	-	-
3472F	Ra disease activity high	5	-	-
3475F	Disease progn RA poor docd	11	-	-
3476F	Disease progn RA good docd	20	-	-
4004F	Pt tobacco screen rcvd tlk	37	-	-
4187F	Anti rheum drugthxpyrxd/gvn	32	-	-
CXRA	Cancelled less than 24 hours	72	-	-
G0008	Admin influenza virus vac	4	-	-
G8427	Doc cur meds by prov	319	-	-
G8428	Cur meds not document	40	-	-
G8553	Prescrip transmit via ERx sy	162	-	-
Q2037	Fluvirin vacc, 3 yrs & >, im	3	-	-
20526	Ther injection carp tunnel	18	0.94	17
20550	Inj tendon sheath/ligament	24	0.75	18
20551	Inj tendon origin/insertion	16	0.75	12
20552	Inj trigger point 1/2 muscl	20	0.66	13
20553	Inject trigger points 3/>	2	0.75	2
20600	Drain/inject joint/bursa	13	0.66	9
20605	Drain/inject joint/bursa	14	0.68	10
20610	Drain/inject joint/bursa	87	0.79	69
20612	Aspirate/inj ganglion cyst	4	0.70	3
36410	Non-routine bl draw 3/> yrs	5	0.18	1
36415	Routine venipuncture	1,817	-	-
76942	Echo guide for biopsy	61	0.67	41
77080	Dxa bone density axial	63	0.20	13
77081	Dxa bone density/peripheral	1	0.22	0
86580	TB intradermal test	1	-	-
90471	Immunization admin	19	0.17	3
90656	Flu vaccine no preserv 3 & >	10	-	-
90658	Flu vaccine 3 yrs & > im	11	-	-
95909	Motor&sens 5-6 nrv cndj tst	2	1.50	3
95911	Motor&sens 9-10 nrv cndj test	33	2.50	83
95913	Motor&sens 13/> nrv cnd test	6	3.56	21
96360	Hydration iv infusion init	22	0.17	4
96365	Ther/proph/diag iv inf init	30	0.21	6
96366	Ther/proph/diag iv inf addon	1	0.18	0
96372	Ther/proph/diag inj sc/im	36	0.17	6
96374	Ther/proph/diag inj iv push	11	0.18	2
96401	Chemo anti-neopl sq/im	26	0.21	5
96413	Chemo iv infusion 1 hr	3	0.28	1
<b>Other Total</b>		<b>3,424</b>		<b>341</b>
<b>Total</b>		<b>11,018</b>		<b>4,966</b>

Q2501 replaced with J3489

Exclude Infusions

4,942

D000134

**Confidential****Rheumatology LI**

Sari Edelman

Rheumatology

**Contract Summary**

- 3 year term: Jan '15 - Dec'17
- Standard term and renewal detail (renewed for 3 years)
- RVU target of 4,942 excludes infusions
- RVU deal: 1%/1% with 95% on the downside

Compensation Summary	Y1	Y2	Y3
Base Salary	207,000	207,000	207,000
Bonus/(Eligible Reduction)	13,637	11,386	12,953
<b>Total Compensation</b>	<b>220,637</b>	<b>218,386</b>	<b>219,953</b>

Collections Summary	Y1	Y2	Y3
Actual Collections	407,030	432,814	460,136

Productivity Summary	Y1	Y2	Y3
RVU Target	4,942	4,942	4,942
Actual RVUs	5,267	5,213	5,251
% Variance to Target	7%	6%	6%

**Mehta & Edelman**

Oct - Dec

Financial Summary	Current State	FY18 Budget
Total Revenue	923,086	972,496
Total Expense	1,360,006	1,327,434
Operating Profit/(Loss)	(436,920)	(354,938)
Hospital Support	354,938	354,938
Incentive Compensation	(14,953)	-
Net Profit/(Loss)	(96,935)	-

**Variance**

(49,411)

(32,571) OT: \$40K with fringe, MAs are \$24K of the OT

(81,982)

-

(14,953)

(96,935)

**Loans****Principle Balance as of 8/31/: Maturity Date**

31,535 7/1/2018

57,958 9/1/2019

Patient Access	
Open Encounter	-
Waitlist	20
Unused Capacity %	10%
No Show %	13%
New Patient %	17%
Left Without Seen	2
Provider Bump Count	-

Schedule	Hours	Sessions
Monday	8:45 - 3:00	1.56
Tuesday	8:45 - 3:00	1.56
Wednesday	11:00 - 6:45	1.94
Thursday	8:45 - 3:00	1.56
Friday	off	-
<b>Total</b>	<b>27</b>	<b>6.63</b>

Averages 11 - 12 patients per session

Template: 30 min new / 15 min follow-up

**Rheumatology LI**

Sari Edelman

Rheumatology

**Contract Summary**

- RWL Y3 of 3: Jan'18-Dec'20
- Standard term and renewal detail (renewed for 3 years)
- RVU target of 5,200
- RVU deal: 1%/1% with 95% on the downside

10 month ann'd

Compensation Summary	RWL Y1	RWL Y2	RWL Y3
Base Salary	278,000	278,000	278,000
Bonus/(Eligible Reduction)	588	160	(53,657)
<b>Total Compensation</b>	<b>278,588</b>	<b>278,160</b>	<b>278,000</b>

Excl. COVID Month
278,000
(28,121)
<b>278,000</b>

Collections Summary	RWL Y1	RWL Y2	RWL Y3
Adjusted Payment*	473,865	502,723	382,923

Excl. COVID Month
416,546

\*Adjusted for tray fee and rate changes (if applicable)

Productivity Summary	RWL Y1	RWL Y2	RWL Y3
wRVU Target	5,200	5,200	5,200
Actual wRVUs	5,211	5,203	3,936
% Variance to Target	0%	0%	-24%

Excl. COVID Month
5,200
4,414
-15%

Financial Summary	FY 20 Budget	Variance
Total Revenue	878,061	181,759
Total Expense	1,420,800	171,840
Operating Profit/(Loss)	(542,739)	9,919
Hospital Support	530,790	(10,411)
Incentive Comp	(1,428)	1,428
Net Profit/(Loss)	(11,949)	(492)

Patient Access	
Open Encounter	93
Waitlist	27
Unused Capacity %	7%
No Show %	3%
New Patient %	16%
Left Without Seen	-
Provider Bump Count	0
Final Denial %	1%

Schedule	Hours	Sessions
Monday	9:30a-1:30p	1.00
Tuesday	9:30a-1:30p	1.00
Wednesday	9:30a-1:30p	1.00
Thursday	9:30a-1:30p	1.00
Friday	9:30a-1:30p	1.00
<b>Total</b>		<b>5.00</b>

Averages 14-15 patients per session

Template: 30 min new / 15 min follow-up